CONFIDENTIAL

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UNITED STATES GOVERNMENT

# *Memorandum*

TO : Harold H. Saunders, State/NEA DATE: AUG 4 1980

FROM : C. Fred Bergsten, Assistant Secretary for International Affairs

SUBJECT: Negotiations with Israel on Compensation for Damages to USS Liberty

I agree with the basic approach proposed in your memorandum to Mr. Newsom of July 18 concerning a U.S. negotiating position for resolving the US claim for compensation for the physical damage caused by the 1967 attack by Israel on the USS Liberty.

I would like to underline the desirability for the U.S. Government to receive the maximum compensation possible and to be in a position to defend itself adequately vis a vis the Congress and the American public as to final settlement of the issue. The State Department is, of course, in the best position to evaluate any foreign affairs aspects related to this matter, but Treasury would be pleased to provide you with technical assistance during the negotiations, as required.

In the event that the initial negotiations do not result in agreement even on the figure of $7,644,176 as the minimum amount of compensation, I believe that it would be highly desirable to re-assess our negotiating position at that time.

1/25/83

spoke with Wm McFadden, Treas, who agreed to release.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY WK DATE 2/7/13
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TS AUTH. REASON(S)
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